

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

G

G-02527A
Graham County Utilities, Inc.
PO Drawer B
Pima, AZ 85543

RECEIVED
MAR 2 - 2010
AZ CORP COMM
Director Utilities

ANNUAL REPORT
Gas

FOR YEAR ENDING

12	31	2009
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FOR COMMISSION USE

ANN 02	09
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3.22.10 Lhm

COMPANY INFORMATION

Company Name (Business Name) Graham County Utilities, Inc. - Gas

Mailing Address PO Drawer B

(Street)

Pima

Arizona

85543

(City)

(State)

(Zip)

(928) 485-2451

(928) 485-9491

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email

Address russeb@gce.coop

Local Office Mailing Address PO Drawer B

(Street)

Pima

Arizona

85543

(City)

(State)

(Zip)

(928) 485-2451

(928) 485-9491

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email

Address

russeb@gce.coop

MANAGEMENT INFORMATION

☐ **Regulatory Contact:**

☐ **Management Contact:** Russ Barney Finance Manager

(Name)

(Title)

PO Drawer B

Pima

Arizona

85543

(Street)

(City)

(State)

(Zip)

(928) 485-2451

(928) 485-9491

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address russeb@gce.coop

On Site Manager: Steve M. Lines

(Name)

PO Drawer B

Pima

Arizona

85543

(Street)

(City)

(State)

(Zip)

(928) 485-2451

(928) 485-9491

(928) 651-6024

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address: Slines@gce.coop

Statutory Agent: Leven B. Ferrin

(Name)

1536 Cherokee Lane

Safford

Arizona

85546

(Street)

(City)

(State)

(Zip)

(928) 428-1602

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: Michael M. Grant

(Name)

2575 East Camelback Road

Phoenix

Arizona

85016-9225

(Street)

(City)

(State)

(Zip)

(602) 530-8000

Telephone No. (Include Area Code)

(602) 530-8500

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address MMG@gknet.com

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☒ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☒ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

SERVICES AUTHORIZED TO PROVIDE

Check the following box(es) for the services that you are authorized to provide:

☒ **Gas**

☒ Natural Gas

☐ Propane

☐ **Other** (Specify) _____

STATISTICAL INFORMATION

GAS UTILITIES ONLY

Total number of customers

Residential . 4,813

Commercial . 261

Industrial .

Irrigation . 10

Resale .

Total therms sold _____ therms

Residential . 1,839,244

Commercial . 824,786

Industrial .

Irrigation . 7,249

Resale .

COMPANY NAME:

UTILITY SHUTOFFS / DISCONNECTS

MONTH		Termination without Notice R14-2-311.B	Termination with Notice R14-2-311.C	OTHER
JANUARY			22	
FEBRUARY			8	
MARCH			16	
APRIL			6	
MAY			15	
JUNE			17	
JULY			14	
AUGUST			3	
SEPTEMBER			9	
OCTOBER			30	
NOVEMBER			25	
DECEMBER			26	
TOTALS →			191	

OTHER (description):

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

MAR 7 2010

AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Graham

NAME (OWNER OR OFFICIAL) TITLE

Steve M. lines General Manager

COMPANY NAME

Graham County Utilities, Inc. - Gas

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 3,821,652

(THE AMOUNT IN BOX ABOVE

INCLUDES \$ 259,835

IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

15th

DAY OF

COUNTY NAME

GRAHAM

MONTH

MARCH

2010

SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451

TELEPHONE NUMBER

SEAL
OFFICIAL SEAL
SUSAN ROMNEY
NOTARY PUBLIC - State of Arizona
GRAHAM COUNTY
MY COMMISSION EXPIRES 08/02/2012

SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED
MAY 10 2010
AZ CORP COMM
Director Utilities

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Graham	
NAME (OWNER OR OFFICIAL) Steve M. Lines	TITLE General Manager
COMPANY NAME Graham County Utilities, Inc. - Gas	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>2,778,332</u>

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 189,936
IN SALES TAXES BILLED, OR COLLECTED

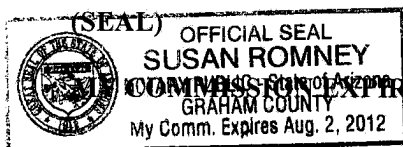
*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.

Steve M Lines
SIGNATURE OF OWNER OR OFFICIAL

(928) 485-2451
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 15th DAY OF

NOTARY PUBLIC NAME <u>Susan Romney</u>	
COUNTY NAME <u>GRAHAM</u>	
MONTH <u>MARCH</u>	.20 <u>10</u>



EXPIRES 08/02/2012

Susan Romney
SIGNATURE OF NOTARY PUBLIC

FINANCIAL INFORMATION

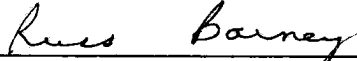
Attach to this annual report a copy of the companies' year-end (Calendar Year 2009) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**

FINANCIAL AND STATISTICAL REPORT
GRAHAM COUNTY UTILITIES, INC.
GAS SYSTEM
PIMA, AZ 85543
MONTH ENDING
December 31, 2009

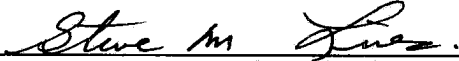
Round ALL AMOUNTS to nearest dollar.

CERTIFICATION

We hereby certify that the entries in this report are in accordance with the accounts and other records of the system and reflect the status of the system to the best of our knowledge and belief.


SIGNATURE OF OFFICE MANAGER OR ACCOUNTANT

1-26-10

DATE

SIGNATURE OF MANAGER

1-26-10

DATE
PART A. STATEMENT OF OPERATIONS
December

ITEM	YEAR-TO-DATE			THIS MONTH
	LAST YEAR (a)	THIS YEAR (b)	BUDGET (c)	(d)
1. Operating Revenue and Patronage Capital	3,727,437	3,561,818	3,594,474	372,318
2. Gas Production Expense	-	-	-	-
3. Cost of Purchased Gas	2,350,576	2,253,862	2,221,283	229,507
4. Transmission Expense	-	-	-	-
5. Distribution Expense - Operations	297,846	297,959	316,505	19,426
6. Distribution Expense - Maintenance	321,323	346,153	385,321	12,558
7. Consumer Accounts Expense	278,308	287,179	301,784	24,143
8. Customer Service and Informational Expense	-	-	-	-
9. Sales Expense	-	-	-	-
10. Administrative and General Expense	419,520	509,532	500,166	39,589
11. Total Operation & Maintenance Expense (2 - 10)	3,667,573	3,694,684	3,725,059	325,222
12. Depreciation and Amortization Expense	131,765	138,722	135,077	12,019
13. Tax Expense - Property	-	-	-	-
14. Tax Expense - Other	-	-	-	-
15. Interest on Long-Term Debt	89,350	80,050	94,500	5,989
16. Interest Charged to Construction - Credit	-	-	-	-
17. Interest Expense - Other	30,124	56,532	73,939	5,185
18. Other Deductions	-	-	-	-
19. Total Cost of Gas Service (11 - 18)	3,918,812	3,969,988	4,028,576	348,415
20. Patronage Capital & Operating Margins (1 - 19)	(191,375)	(408,170)	(434,102)	23,903
21. Non Operating Margins - Interest	1,522	139	-	-
22. Allowance for Funds Used During Construction	-	-	-	-
23. Non Operating Margins - Other	-	-	-	-
24. Generation & Transmission Capital Credits	-	-	-	-
25. Other Capital Credits and Patronage Dividends	10,167	7,229	10,167	-
26. Extraordinary Items	-	-	-	-
27. Patronage Capital or Margins (20 - 26)	(179,686)	(400,801)	(423,935)	23,903

PART B. DATA ON TRANSMISSION AND DISTRIBUTION PLANT

ITEM	YEAR-TO-DATE		ITEM	YEAR-TO-DATE	
	LAST YEAR (a)	THIS YEAR (b)		LAST YEAR (a)	THIS YEAR (b)
1. New Services Connected	88	51			
2. Service Retired	-	-	6. Miles Distribution	226	233
3. Total Services in Place	5,191	5,242			
4. Idle Services (Exclude Seasonal)	-	-	8. Total Miles (5+6+7)	226	233

FINANCIAL AND STATISTICAL REPORT	BORROWER DESIGNATION
	GAS SYSTEM
Round ALL AMOUNTS to nearest dollar.	MONTH ENDING
	December 31, 2009

PART C. BALANCE SHEET

ASSETS AND OTHER DEBITS		LIABILITIES AND OTHER CREDITS	
1. Total Utility Plant in Service	4,332,913	26. Memberships	28,694
2. Construction Work in Progress	129,919	27. Patronage Capital	47,630
3. Total Utility Plant (1 + 2)	4,462,832	28. Operating Margins - Prior Years	
4. Accum. Provision for Depreciation & Amort.	2,242,994	29. Operating Margins - Current Year	(408,170)
5. Net Utility Plant (3 -4)	2,219,838	30. Non Operating Margins	7,368
6. Nonutility Property _ Net	-	31. Other Margins and Equities	-
7. Invest in Assoc Org - Patronage Capital	-	32. Total Margins & Equities (26 thru 31)	(324,478)
8. Invest in Assoc Org - General Funds	130,727	33. Long-Term Debt RUS (Net)	-
9. Invest in Assoc Org - Nongeneral Funds	-	(Payments - Unapplied \$	
10. Other Investments	-	34. Long-Term Debt - Other (net)	1,106,127
11. Special Funds	-	(Payments - Unapplied \$	
12. Total Other Property & Investments (6 thru 11)	130,727	35 Total Long-Term Debt(33 + 34)	1,106,127
13. Cash - General Funds	-	36. Notes Payable	-
14. Cash - Construction Funds - Trustee	-	37. Accounts Payable	1,592,473
15. Special Deposits	-	38. Consumers Deposits	70,120
16. Temporary Investments	-	39. Other Current & Accrued Liabilities	55,411
17. Notes Receivable - Net	-	40. Total Current & Accrued Liab (36 thru 39)	1,718,004
18. Accounts Receivable - Sales of Gas	174,441	41. Deferred Credits	-
19. Accounts Receivable - Fuel Bank	(126,523)	42. Miscellaneous Operating Reserves	-
20. Materials & Supplies - Gas & Other	70,953	43. Total Liabilities & Other Credits (32 +	-
21. Prepayments	16,038	35 + 40 thru 42)	2,499,654
22. Other Current & Accrued Assets	-	ESTIMATED CONTRIBUTIONS IN AID TO CONSTRUCTION	
23. Total Current & Accrued Assets (13 thru 22)	134,909	Balance Beginning of Year	1,046,629
24. Deferred Debits	14,181	Amounts Received This Year (Net)	5,900
25. Total Assets & Other Debits (5+12+23+24)	2,499,654	TOTAL Contributions in Aid of Construction	1,052,529

PART D. CONSUMER SALES AND REVENUE DATA

CLASS OF SERVICE	THIS MONTH			YEAR TO DATE	
	NO. RECEIVING SERVICE	THERMS SOLD	AMOUNT	THERMS SOLD	AMOUNT
				CUMULATIVE	CUMULATIVE
1. RESIDENTIAL SALES	4,813	250,926	266,683	1,839,244	2,588,397
2. IRRIGATION SALES	10	192	173	7,249	8,727
3. COMM & INDUSTRIAL	261	113,816	103,632	824,786	945,334
4. TOTAL GAS SALES	5,084	364,934	370,488	2,671,279	3,542,458
5. OTHER GAS REVENUE			1,830		19,360
6. TOTAL	5,084	364,934	372,318	2,671,279	3,561,818

PART E. GAS STATISTICS

ITEM	THIS MONTH	YEAR TO DATE	ITEM	THIS MONTH	YEAR TO DATE
1. THERMS PURCHASED	554,210	2,608,190	6. OFFICE USE		
2.			7. UNACCOUNTED FOR	189,276	(63,089)
3. TOTAL PURCHASED	554,210	2,608,190	8. % SYSTEM LOSS	34.15%	-2.42%
			9. MAXIMUM DEMAND		
4. TOTAL SOLD	364,934	2,671,279	10. MONTH WHEN MAXIMUM DEMAND OCCURRED		